

INTELLFORM 12

INFORMATION REPORT

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COUNTRY Poland

SUBJECT Polish Money Reform

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SUPPLEMENT TO
REPORT NO.

1. The Polish money reform which took place toward the end of October 1950 appears to be less a monetary reform than a measure designed to eliminate the last vestiges of private ownership and financial black-marketing.
2. In accordance with the reform, 100 old Zlotys were exchanged for three Zlotys of the new type. All pensions and wages were reduced at the rate of 33 and one-half (sic) to one. Prices, which were also to be reduced at this rate, rose, however, by 50 per cent for food items and by 100 per cent for clothing and durable goods. Standing debts were to be paid at the rate of 33 and one-third old Zlotys to one new Zloty except when the creditor was a "capitalist", i.e., engaged in private business, in which instance indebtedness held by private entrepreneurs was reduced to one per cent.
3. Because of doubled free market prices for industrial goods which farmers can obtain only through purchase and because of a controlled price for farm products, farmers who have not yet joined the socialized farms will be forced to choose between joining or being unable to buy all products and goods which they themselves do not produce.
4. Free market dealing and speculation in foreign currency is being controlled quite effectively by the introduction of a law which demands capital punishment for violators. Fear forces all persons possessing hard currencies or gold to turn them in at the official rate of exchange. At present the US dollar is valued at four Zlotys, while the unofficial rate, for those dealers who still dared to engage in free market transactions in mid-November 1950, was 20 Zlotys to one US dollar.

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Comment: According to late information from Poland the black market rate of exchange is between 20 and 25 new Zlotys for one US dollar.

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